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SURFACE USE AGREEMENT

THIS AGREEMENT is made and entered into this 7th day of March, 2008, by and between **K.P. KAUFFMAN COMPANY, INC.** ("KPK"), whose address is 1675 Broadway, Suite 2800, Denver, Colorado 80202 and **I&J PARTNERSHIP, LP**, a California Limited Partnership whose address is c/o Everett Pfeiff, 6530 Daylilly Court, Niwot, CO 80503 ("Developer"). KPK and Developer shall be referred to as "Party" and collectively as "Parties".

RECITALS

A. Developer represents that it owns and has the right to develop the surface estate of the property (hereinafter called the "Property") described as:

A portion of NE/4 of Section 6 Township 1 North – Range 68 West, 6th PM

See legal description attached hereto as Exhibit A and incorporated herein by reference, being the Bulthaup 127 Parcel located near the intersection of Weld County Road 3 and Colorado Highway 52, Weld County, Colorado.

B. KPK represents that it is the assignee of certain oil and gas leasehold rights and as such, KPK has the right to explore for, develop, and produce certain oil, gas and other hydrocarbons that underlie the Property within the Sussex formation only.

C. KPK is currently producing oil and gas wells on the Property and has other oil and gas production equipment on the Property including, but not limited to pipelines, tank batteries, and lease roads.

D. KPK may have the right to drill additional wells on the Property in the future.

E. The Developer desires to develop the surface of the Property in a manner compatible with all applicable laws and KPK's rights and obligations to produce oil and gas from beneath the surface. KPK desires to produce the oil and gas from beneath the surface of the Property in a manner compatible with Developer's rights and obligations to develop the surface of the Property. The purpose of the Parties to this Agreement is to resolve their competing uses in a manner that will enable and facilitate each Party to use their respective rights and at the same time provide maximum safety for uses of the Property.

NOW THEREFORE, in consideration of the covenants and mutual promises set forth herein, the Parties agree, to the extent of each of their respective interests in the Property only, as follows:



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1. Oil and Gas Operations Area (“OGOAs”) and Production Site Locations.

a. OGOAs and Production Site Locations. KPK is now operating and producing oil and gas wells at the following locations:

Koch #41-6 – NENE Section 6 T1N-R68W, 6th PM
Kenneth E. Koch #1 – SENE Section 6 T1N-R68W, 6th PM
Permitted Location- Bulthaup 7-6 - SWNE Section 6 T1N-R68W, 6th PM

b. Battery Locations. In addition, KPK has oil and gas batteries located on the Property (“Battery Locations”) and other related production equipment, lease roads, flow, and gathering lines leading to the Battery Location and to third party pipelines. The Battery Locations already exist at the following locations:

NW/4 of Section 6, T1N, R68W, 6th PM, as further described on Exhibit B.

c. OGOAs. The Parties agree and understand that, as shown on Exhibit B attached hereto, KPK requires a certain amount of surface area to safely drill, deepen, workover, operate, and maintain each well or drill a twin well within thirty five (35) feet of a plugged well. The Parties agree that the space needed for KPK shall be only those areas shown on Exhibit B, which include an area, without surface improvement including, but not limited to, surface property lines, fences, or roadways, which is defined by a circle with the existing wellbore or a proposed well to be drilled at the center and extending to a radius of 150 feet from the wellbore (OGOAs) as shown on Exhibit B. The Parties further agree that any twinned well will not increase the size of any OGOA, as shown on Exhibit B, and the Bulthaup 7-6 well will be permitted and drilled in the location depicted on Exhibit B at KPK’s expense. Other oil and gas operators with oil and gas lease rights to drill or operate on the Property may occupy portions of the OGOAs. Nothing in this provision is intended to imply third party beneficiary status to other oil and gas operators. Except for the OGOAs and the access roads and easements associated with flowlines, gathering lines and pipelines as provided in this Agreement, KPK shall not occupy the surface of the Property except in the event of an emergency, for which KPK shall be solely responsible for any and all damages that may occur or do occur, as well as all the costs associated with returning the Property to its previous condition and removing from the Property all of KPK’s wastes, if KPK is the cause of such emergency. If Developer is the cause of such emergency on the Property, Developer shall be solely responsible for any and all damages that may occur or do occur, as well as the costs associated with returning the Property to its previous condition and removing from the Property all of Developer’s wastes. KPK shall cooperate with surface estate owners and users to implement this Agreement. KPK shall minimize erosion and other disturbances to land. KPK shall use reasonable efforts to restore the Property as close as practicable to its original “condition” in accordance with Colorado Oil and Gas Conservation Commission (COGCC) rules, as well as comply with all legal requirements, including but not limited to the Colorado Department of Public Health and Environment and the COGCC.



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d. Requirements for Battery Location. The Parties agree that each Battery Location as shown on Exhibit B shall be an area with dimensions of not less than 150 feet by 50 feet and shall be fenced with a standard chain link fence with the tan vinyl flats woven in between links, provided, however, such fence is compatible with COGCC regulations. The cost to install such fence shall be paid by KPK. The Parties further agree that the Developer shall not locate any improvements, underground or on the surface including, but not limited to, parks, walkways or similar such uses within 200 feet from the center of each Battery Location. KPK shall install and maintain tanks in accordance with COGCC rules. At Developer's request, KPK will install and maintain low profile tanks at Developer's sole cost and expense.

e. Option to Directional Drill. The Parties acknowledge and agree that the wells in each OGOA as depicted on Exhibit B are straight holes and KPK shall not be required to "directional drill" any well, as set forth in Exhibit B. Should Exhibit B change at any time to require that KPK directional drill any well, the Parties agree to amend this Paragraph in writing. Developer shall reserve the right to request that the OGOAs be placed in a location other than the COGCC mandated well location. If Developer requests such displacement and KPK is required to directional drill to the location required by the COGCC rules and regulations, then the Developer shall pay within ten (10) days of the Amendment to this Paragraph, the then difference between drilling the well and directionally drilling of the future well or wells.

f. Additional Drilling and Reworking of Wells. KPK shall continue to have the right to exercise its oil and gas leasehold rights to produce, deepen, recomplete, or drill on each OGOA and to drill a second, twinned well within thirty five (35) feet of a plugged well on each OGOA, provided, however, that any twinned well will not increase the size of any OGOA as depicted on Exhibit B. Other than as expressly depicted on Exhibit B, KPK shall not have the right to drill new wells on the Property except for twinned wells within the existing OGOAs. KPK shall pay for all drilling costs unless Developer requests the displacement of an OGOA and KPK is required to directional drill in accordance with the amended Paragraph 1.e. KPK shall not establish or operate a "commercial disposal well facility" or "commercial disposal facility" as those terms are defined under any law, in, on or under any of the Property.

g. Waiver of Setback Requirement. The Parties understand and acknowledge that the COGCC and other jurisdictional agencies have rules and regulations that apply to the distance between a wellhead and production facilities, public roads, building units and surface property lines, among other things. To the extent permitted by applicable law, Developer hereby waives all setback requirements in COGCC Rule 603, or any amendment to the COGCC setback rules and to any other state or local setback requirements that are or become inconsistent with this Agreement and/or Exhibit B, or that would prohibit or interfere with the rights of KPK to explore for and produce oil and gas in accordance with this Agreement and/or Exhibit B. Developer understands that KPK may cite this Agreement as a waiver of any objections in order to obtain a location requirement exception or variance under COGCC rules or from a local, state or federal jurisdiction. Developer also agrees that it will not object in any form, either directly or



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indirectly, to the use by KPK of the surface of the Property consistent with this Agreement and/or Exhibit B.

2. Access to OGOAs, Undrilled Locations, and Batteries.

a. Present Lease Roads. The Parties understand and agree that KPK now has a lease road or roads across the Property for access to each OGOA and Battery Location ("Lease Roads"). At the request of Developer, KPK agrees to relocate a portion of or all Lease Roads in accordance with this Agreement, provided that the relocation of such Lease Roads will not interfere with KPK's use and enjoyment of its interest in the oil and gas rights. The Parties agree that KPK's Roads shall be relocated as depicted on Exhibit B and designated as Access. KPK agrees to access the Property according to the anticipated routes depicted and described on Exhibit B once such access roads are constructed by Developer at Developer's sole cost and expense and Developer provides KPK notice of such. KPK shall maintain at its own expense its present access routes. KPK agrees to use the access roads in a manner so as to cause the least interference with the Developer's and any lot owner's use of the roads.

b. Changes to Access to OGOAs, Undrilled Locations and/or Battery Locations. Access or changes in Access to an OGOA and/or Battery Location other than represented on Exhibit B may be changed by mutual agreement of KPK and the Developer, provided however, all costs, and expenses of any such relocation shall be borne solely by the Developer, if such relocation is at the request of the Developer, or shall be borne by KPK if such relocation is at the request of KPK. All Access or Lease Roads off of city streets, or located within the OGOA will prohibit use by the Public.

c. Paved Improved Roads. KPK's Access will be, in part or in whole, over paved or improved roads or streets already built or to be built on the Property as depicted on Exhibit B. Because such Access is over such street or road(s), Developer hereby grants KPK the non-exclusive right to the use of such street or road so long as KPK maintains its lease on the Property. Developer shall construct all roads or streets necessary for KPK to have access from its OGOA or its Battery Location to a county road in accordance with this paragraph and Exhibit B. Such paved or improved roads or streets shall be constructed in such a manner as to accommodate all equipment used by KPK for the production of oil and gas, drilling and completing of a well or reworking of a well, regardless of any lesser standard for roads or streets required by the governing entity zoning the Property. Such use by KPK shall include, but not be limited to the use of a 104,000 pound or 26,000 pound per axle workover rig. The Developer shall keep roads or streets jointly used by all parties including, but not limited to, subdivision occupants and KPK, in good condition and repair until such time as City, Town or Unincorporated County assumes ownership and maintenance of such roads and streets. KPK shall use reasonable care in the use of said roads or streets. Neither Party shall unreasonably interfere with the use by the other in using the streets providing OGOA or Battery Location access.



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d. Unimproved Lease Roads. If the Parties agree not to use paved or improved roads or streets, then the Developer shall dedicate to KPK or other oil and gas Lessees, for their exclusive use, a lease road of not less than 30 feet in width and being straight enough and level enough that KPK is able to use said Lease Road to move its trucks and equipment over said road including, but not limited to, workover rigs or drilling rigs. Whether a proposed Lease Road is acceptable for KPK's uses shall be mutually agreed upon.

e. Access for KPK. Regardless of the type of Access to be used or its stage of construction, the Developer will provide reasonable and necessary Access to KPK's OGOA's, Undrilled Locations and Battery Locations as provided for in the easements and access routes depicted on Exhibit B.

3. Flow and Gathering Lines.

a. Flow and Gathering Line Easements for Existing Wells. As shown on Exhibit B, KPK now has subsurface Lines (Lines) on the Property that carry oil, gas and other hydrocarbons from the wellhead to a Battery Location and then on to other pipelines. At Developer's request, KPK will agree to relocate said Lines to the location depicted on Exhibit B, attached hereto. Developer agrees that said place of relocation will not be administered in such a way as to interfere with KPK's ability to exercise its rights to drill for and produce oil, gas and other hydrocarbons. Developer shall grant a recorded easement for KPK's use of an area not less than 50 feet in width during construction of a Line and 30 feet in width for all operations, maintenance and transportation activities of the Line(s), in accordance with Exhibit B. Line locations may be changed by mutual agreement of the Parties, provided, however, all costs and expenses of the relocation shall be borne by the Developer if Developer requests such relocations. KPK shall not unreasonably withhold its consent.

b. Vertical Requirements within KPK Easements. Developer shall have the right to cross any Line Easement with roadways and other utilities, provided such crossing is made at an angle of not less than 60° and not more than 90° from KPK's Lines, but in no event shall such utility cross above or run parallel above KPK's Lines. Developer will notify KPK fifteen (15) days before it crosses any Line Easement so that KPK can observe such crossing. KPK requires all subsurface utilities be not less than 24 inches below KPK's Lines. Overburden above KPK's Lines shall not exceed 72 inches, unless such utilities are found below parallel streets or Roads and above such Easement. If a roadway crosses above KPK's Lines, that portion of said Lines within the street right-of-way width will be encased with protective pipe and provided with vents on each side of the roadway crossing. All expenses for the encased pipe of existing flowlines will be provided by the Developer. All expenses for maintaining future encased flowlines will be paid for by KPK unless Developer asks KPK to move such flowlines. Roadways shall not be constructed parallel above KPK's Lines.



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c. Horizontal Requirements within KPK Easements. Developer has the right to place a utility within the Line(s) Easement that would parallel KPK's Line(s) but in no event shall such utility be placed within 10 feet of KPK's flow or gathering line.

d. Requirements for Encasement of KPK's Lines. In the event that Developer's proposed easement would place KPK's Line(s) within 75 feet of an ignition source including, but not limited to, houses, buildings, structures or any other potential source of ignition, then the Line(s) shall be "encased" at the Developer's expense. The term "encased" shall mean that KPK's Line(s) shall be enclosed in a second steel pipe with inspection vents on each end of the flow Line(s). In addition to the encasement, Developer shall provide KPK with an easement for a work area of 30 feet by 75 feet at each end of the encasement (Work Area). No encasement shall exceed 400 feet without Developer providing intermediate Work Areas. All Lines that must be encased shall be constructed straight and without curves from Work Area to Work Area.

e. OGOAs and Easements. The provisions of subparagraphs b and c of this paragraph shall not be applicable to the exclusive 150-foot area around a wellhead shown on Exhibit B, with the exception of oil and gas operators with rights to occupy portions of the OGOA(s). Nothing in this provision shall be construed to imply third party beneficiary status to other oil and gas operators.

4. Easements.

a. Recording of Easements. Developer shall deliver to KPK an easement in the form of Exhibit C for each Pipeline Easement, Lease Road, Drilling Site, Undrilled Location, Work Area, and Battery Location shown on Exhibit B except for paved roads and streets. Said easement shall be incorporated into the Final Plat for the Property and recorded by Developer with the Weld County Clerk and Recorder.

b. Description of Easements. The easement may be described by metes and bounds or by specific notations on Exhibit B noting direction and length from a surveyed and physically established location on the Property. The easement description shall be incorporated into the Final Plat for the Property and recorded with the Weld County Clerk and Recorder.

c. Form of Easements. All Easements shall be in the form of Exhibit C and provide that no surface property line shall be platted within the Easement. The Easement shall further provide that the Developer, or any other entity or person, shall not, except as provided herein and in accordance with Exhibit B, locate or allow anything to be constructed on the surface or underneath the surface of the Easement, including but not limited to paved roads, fences, pipes, parks, and concrete or paved walkways.

d. Maintenance of Easements and OGOAs. KPK agrees to keep all Easements and OGOAs free and clear of trash in accordance with the rules and regulations of the COGCC and applicable law. Developer reserves the right, but not the obligation, to plant native or dry



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land grasses on all Easements and OGOAs and to mow, provided however, before planting any grass in such areas other than native or dry land grasses, Developer shall request KPK's consent, which consent shall not be unreasonably withheld. Developer may irrigate the native or dry land grasses on the Easements and OGOAs provided, however, that the irrigation system be located outside of the Easement or OGOA as depicted on Exhibit B, and the Parties comply with the following notice requirements: upon fifteen (15) days prior notice by KPK to Developer or the registered agent of the Home Owners Association (HOA), Developer or the registered agent of the HOA will notify the affected lot owners to cease irrigation of the OGOA or Easement area(s), or Developer will cease irrigation of said areas; upon completion of KPK's work in the Easement or OGOA, KPK will notify the registered agent of the HOA or Developer that it is safe to resume irrigation. If Developer elects to mow said Easements and OGOAs, it shall do so only in a manner which does not violate the terms of KPK's easement or do damage to KPK's Lines or equipment, or interfere with KPK's Access or use. All relocated and Future Pipelines shall be located within the Easements depicted on Exhibit B unless otherwise agreed upon between Developer and KPK. KPK acknowledges that the Easements will be non-exclusive and agrees that it will not object to its concurrent use by other oil and gas operators or utilities, as Developer may grant from time to time, so long as such other parties' use is reasonable and necessary to the development of their oil and gas leasehold estates and such use does not deny KPK's correlative rights. Developer agrees to hold KPK harmless for any injury to persons or equipment caused by Developer during any performance under this paragraph, and KPK agrees to hold Developer harmless for any injury to persons or equipment caused by KPK during any performance under this paragraph.

5. Shut in of KPK's Wells.

The parties recognize that the Lines now installed by KPK are made of fiberglass and/or metal and the running of Developer's earth moving equipment over said pipelines tends to crack them, which can cause an oil and gas spill and environmental damage. KPK represents that in its opinion it is not safe to continue to use such Lines after heavy earth moving equipment is in use. KPK will, for safety purposes, shut in any Line(s) that has had heavy earth moving equipment run over it. If Developer begins using heavy equipment on the Property, KPK will shut in its affected wells. Developer shall have the right to request that KPK shut in one or more of its wells during construction activity on the surface. KPK shall not unreasonably refuse to shut in its wells.

a. Notification. Developer agrees to notify KPK at least twenty (20) days before Developer begins any activities on the Property, which will utilize any heavy equipment or other equipment likely to damage KPK's Line(s).

b. Payment. During the period of any shut in, Developer shall pay KPK for each shut in the following amounts:



<u>Shut In Duration</u>	<u>Fee per Well per Day</u>
5 days or less	None
6 – 29 days	\$150
30 days or more	\$200

Developer shall also pay KPK any costs to rework the well(s) in order to place the well(s) in production status after the shut in and costs to replace pipeline(s) and flowline(s) that are damaged by the surface construction activities of Developer.

6. Moving of Electrical Equipment. If, as a result of any changes under this Agreement requested by Developer, KPK's electrical provider should charge KPK for any work necessary to change the electrical equipment used by KPK, the Developer shall pay all such costs. Developer will cooperate with the electrical provider to accomplish the intent of this Agreement.

7. Non-Interference.

The Parties agree that they will use reasonable efforts during the period of construction on the surface and afterwards not to interfere or delay KPK's right to produce the oil and gas or complete, recompleat or work on its equipment. KPK agrees that it will use reasonable efforts to accommodate the Developer in its construction of and use of the surface.

8. Recording of Easements and Subdivision Plats.

a. Subdivision Plat. All Easements shall be identified on the subdivision plats. The subdivision plats shall be recorded in the Office of the Clerk and Recorder for the County in which the location described in this Agreement is found. The Parties agree that no easement change in the subdivision plat shall be made that would be in conflict with the provisions of this Agreement and Exhibit B, and that any easement change to the subdivision plats that might effect KPK rights under this Agreement shall not be considered until such time as KPK has been given reasonable notice.

b. Recording of this Agreement. A copy of this Agreement shall be recorded by KPK in the books and records of the Office of the Clerk and Recorder for the County in which the Property is located.

9. Home Owner Notice.

While the owner of the Property, Developer agrees to provide each jurisdictional agency that has zoning jurisdiction over the Property, all purchasers of the Property including, but not limited to, all persons purchasing houses in the subdivision, all builders, homeowners' associations, and other parties whose rights might be affected by this Agreement, with recorded notice of this agreement and will notify such parties that this Agreement is binding upon them as a successor in interest. The home owner notice provisions in this Paragraph shall be a continuing



obligation of all successors and assigns to this Agreement, but Developer shall have no obligations under this Paragraph upon the sale or conveyance of its ownership rights to the Property in accordance with Paragraph 20 of this Agreement. A Notice of Oil and Gas Operations in the form attached hereto as Exhibit D shall be recorded by Developer with the following information:

- i. Subsequent purchasers' rights are subject to this Agreement, the oil and gas lease;
- ii. There are ongoing oil and gas operations on the Property;
- iii. Very heavy equipment and other oil and gas equipment with the accompanying noise will be used, from time to time, by KPK for well development and maintenance, drilling new wells and production activities and that such activities may be conducted on a 24-hour basis;
- iv. That by purchasing an interest in the Property, subsequent purchasers have agreed that they are subject to this Agreement and the oil and gas lease; and
- v. Activities conducted on the Property by KPK shall be as set forth in the Agreement except in cases of emergency.

10. Waiver of Rights. KPK does not by entering this Agreement waive any rights it might have under its oil and gas lease, except as set forth herein including, but not limited to, the drilling for and production of oil and gas from the Property.

11. Payment of Relocation Costs. Developer shall give advance written notice to KPK as reasonably practicable but no later than sixty five (65) days prior to the time that Developer wishes KPK to relocate an access road or pipeline pursuant to this Agreement. KPK shall thereafter provide the Developer with an estimate of the costs for the relocation. Developer shall pay the full amount of the estimate of relocation costs to KPK within ten (10) days from the date it receives the estimate. Upon receipt of the estimate of costs by Developer, KPK will within a reasonable time commence the relocation of the applicable access road or pipeline, install the same in a good and workmanlike manner, and diligently pursue such relocation work to completion. Upon completion of the relocation, KPK shall give the Developer a full accounting of the costs and expenses of the relocation. If the amount of such costs exceeds the amount of the estimate, Developer shall pay KPK the amount of the shortfall within ten (10) days from the receipt of the accounting. If the amounts of such costs are less than the amount of the estimate, KPK shall reimburse the difference to Developer at the time it provides its accounting to Developer, but no later than 30 days from the completion of the relocation fieldwork. Developer agrees that the surface of the Property will be staked and at grade when any relocation of a pipeline or access road is to take place.



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12. Completion of Changes. The Parties agree and understand that third party contractors can complete the work required of KPK by this Agreement. Provided however, any third party contractor must be approved by KPK. However, it has also been KPK's experience that third party contractors are often not available to complete such work. KPK agrees it will complete such work as required, but because of other demands on its resources, it might not be able to complete such work in the time requested by the Developer. KPK will use reasonable business efforts to complete such work in the time requested by Developer.

13. Further Assurances. Both Parties shall execute, acknowledge, and deliver or cause to be executed, acknowledge, and deliver such instruments and take such other actions as may be necessary or advisable to carry out its obligations under this Agreement and under any exhibit, document, certificate, or other instrument delivered pursuant hereto.

14. Representations. Each Party represents that it has the full right and authority to enter into this Agreement. KPK does not represent that it has rights to settle matters for all of the mineral owners or any other lessees in the Property and this Agreement shall only apply to and bind the KPK leasehold interest in the property. Developer expressly represents and warrants that it is the owner of the surface estate of the Property. KPK expressly warrants and represents that it is the owner of the oil and gas leasehold estate as to the Sussex formation below the surface estate of the Property.

15. Term. This Agreement shall become effective when it is fully executed. This Agreement shall terminate when KPK's leasehold estate expires or is terminated, or KPK ceases operations on the Property, and KPK has plugged and abandoned all wells owned all or in part by KPK and all lease rights expire. KPK shall comply with applicable COGCC rules upon termination of this Agreement. Upon termination, KPK shall execute and deliver to Developer a good and sufficient release and surrender of all of KPK's rights under this Agreement.

16. Limitation of Rights. Except as provided for in the existing rights of way, Developer's land may not be used by KPK in connection with operations on other lands owned by Developer which are not described herein or on other premises not owned or leased by Developer without Developer's written consent.

17. Fencing of Access Roads. The Parties will not fence any access roads without the prior consent of the other Party, which consent will not be unreasonably withheld.

18. Surface Water. KPK shall not interfere with, fill, or block any creek, drainage corridor, drainage, reservoir, spring or other source of water on Developer's land.

19. Compliance with Law. The Parties shall conduct their respective operations and activities in accordance with this Agreement and all applicable existing and to be enacted local, state and federal laws, rules and regulations. This Agreement satisfies the obligations and requirements of KPK pursuant to law to consult in good faith with Developer regarding the OGOAs depicted on Exhibit B that represent their joint use of the surface. The OGOAs depicted on Exhibit B and the provisions of this Agreement are consistent with each party's respective



obligation to accommodate the other's legal surface and mineral interests.

20. Successor and Assigns. This Agreement, and all of the covenants and responsibilities in it, shall be binding upon the personal representatives, heirs, successors and assigns of all Parties and benefits of this Agreement shall inure to their personal representatives, heirs, successors, and assigns. KPK shall release Developer from its obligations when Developer assigns its rights and responsibilities to another person when Developer sells the Property to such person.

21. Covenants Run with the Land. This Agreement constitutes covenants running with the land and shall be binding upon all Parties who succeed to any interest, which Developer or KPK has or will have in the Property.

22. Governing Law. The validity, interpretation, and performance of this Agreement shall be governed and construed in accordance with the laws of the State of Colorado.

23. Severability. If any part of this Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null and void insofar as it conflicts with such laws; however, the remainder of this Agreement shall be in full force and effect.

24. Notices. Any notice or communication required or permitted by this Agreement shall be given in writing either by (a) personal delivery; (b) expedited delivery service with proof of delivery; (c) United States mail, postage prepaid, and registered or certified mail with return receipt requested; or (d) prepaid telecopy or fax, the receipt of which shall be acknowledged, addressed as follows:

To Developer: I&J Partnership, LP
c/o Everett Pfeiff
6530 Daylilly Court
Niwot, CO 80503

To KPK: K.P. Kauffman Company, Inc.
1675 Broadway, Suite 2800
Denver, CO 80202-4628
(303) 825-4822
(303) 825-4825 (FX)

25. Entire Agreement. This Agreement sets forth the entire understanding among the Parties and supersedes any previous communications, representations, or agreements, whether oral or written. No change of any of the terms or conditions herein shall be valid or binding on any Party unless in writing and signed by an authorized representative of each Party.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

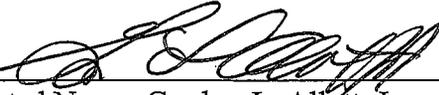


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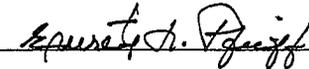
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IN WITNESS WHEREOF the undersigned Parties have caused this Agreement to be executed by a duly authorized representative on the day and year first above written.

K. P. KAUFFMAN COMPANY, INC.

By 
Printed Name: Gordon L. Allott, Jr.
Title: Executive Vice President

I&J PARTNERSHIP, LP

By 
Printed Name: Everett L. Pfeiff
Title: Authorized Agent



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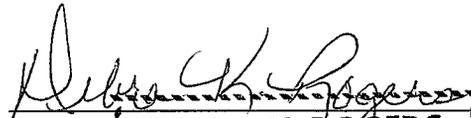
ACKNOWLEDGEMENTS

STATE OF Colorado)
) ss.
COUNTY OF Denver)

The foregoing instrument was acknowledged before me this 2nd day of Feb, 2008, by Gordon L. Allott, Jr. for K. P. Kauffman Company, Inc.

Witness my hand and official seal.

My commission expires: 12/07/09


Notary Public **DEBRA K. ROGERS**
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires 12/07/09

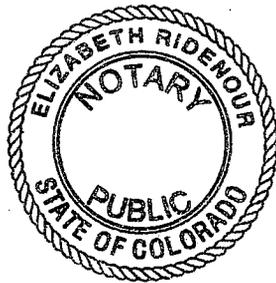
STATE OF Colorado)
) ss.
COUNTY OF Boulder)

The foregoing instrument was acknowledged before me this 20th day of March, 2008, by Everett Reiff for IRE Partnership LP.

Witness my hand and official seal.

My commission expires: 12/02/2010


Notary Public





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EXHIBIT A

BULTHAUP 127 OVERALL LEGAL DESCRIPTION

LOT B OF THE 2ND AMENDED RECORDED EXEMPTION NO. 2ND AMRE-3402, RECORDED MAY 16, 2005 AT RECEPTION NO. 3286322 IN THE WELD COUNTY CLERK AND RECORDER'S OFFICE, LOCATED IN THE NORTHEAST 1/4 AND THE NORTH 1/2 OF THE SOUTHEAST 1/4 OF SECTION 6, TOWNSHIP 1 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF WELD, STATE OF COLORADO, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTH 1/4 CORNER OF SAID SECTION 6, WHENCE THE NORTHEAST CORNER OF SAID SECTION 6 BEARS NORTH 89°03'34" EAST, SAID LINE FORMING THE BASIS OF BEARING FOR THIS LEGAL DESCRIPTION; THENCE SOUTH 01°09'10" WEST, A DISTANCE OF 74.00 FEET TO THE POINT OF BEGINNING;

THENCE NORTH 89°05'04" EAST, A DISTANCE OF 480.96 FEET;
THENCE NORTH 89°41'34" EAST, A DISTANCE OF 94.16 FEET;
THENCE SOUTH 18°15'59" WEST, A DISTANCE OF 218.48 FEET;
THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 06°11'43" AND A RADIUS OF 6721.00 FEET, AN ARC DISTANCE OF 726.73 FEET (CHORD BEARS SOUTH 27°12'23" WEST, A DISTANCE OF 726.38 FEET);

THENCE NORTH 89°48'32" EAST, A DISTANCE OF 610.38 FEET;
THENCE SOUTH 01°17'18" WEST, A DISTANCE OF 1019.39 FEET;
THENCE SOUTH 85°18'04" EAST, A DISTANCE OF 518.97 FEET;
THENCE NORTH 01°13'52" EAST, A DISTANCE OF 431.19 FEET;
THENCE SOUTH 88°43'22" EAST, A DISTANCE OF 44.61 FEET;
THENCE NORTH 12°15'31" EAST, A DISTANCE OF 320.20 FEET;
THENCE NORTH 26°23'23" EAST, A DISTANCE OF 358.61 FEET;
THENCE NORTH 26°57'20" EAST, A DISTANCE OF 243.07 FEET;
THENCE NORTH 50°45'05" EAST, A DISTANCE OF 84.11 FEET;
THENCE NORTH 71°07'48" EAST, A DISTANCE OF 60.24 FEET;
THENCE NORTH 53°11'31" EAST, A DISTANCE OF 83.66 FEET;
THENCE NORTH 36°51'52" EAST, A DISTANCE OF 232.55 FEET;
THENCE NORTH 25°42'50" EAST, A DISTANCE OF 132.78 FEET;
THENCE NORTH 43°12'52" EAST, A DISTANCE OF 81.73 FEET;
THENCE NORTH 47°58'14" EAST, A DISTANCE OF 281.91 FEET;
THENCE NORTH 85°05'34" EAST, A DISTANCE OF 51.12 FEET;
THENCE NORTH 85°45'04" EAST, A DISTANCE OF 191.10 FEET;
THENCE SOUTH 43°44'26" EAST, A DISTANCE OF 70.70 FEET;
THENCE SOUTH 88°44'26" EAST, A DISTANCE OF 28.51 FEET TO THE EAST LINE OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 6;
THENCE ALONG SAID EAST LINE, SOUTH 01°19'42" WEST, A DISTANCE OF 1075.08 FEET;



THENCE SOUTH 56°57'16" WEST, A DISTANCE OF 288.49 FEET;
THENCE SOUTH 36°52'25" WEST, A DISTANCE OF 75.58 FEET;
THENCE SOUTH 19°23'38" WEST, A DISTANCE OF 137.44 FEET;
THENCE SOUTH 41°50'15" WEST, A DISTANCE OF 79.21 FEET;
THENCE SOUTH 60°29'19" WEST, A DISTANCE OF 170.91 FEET;
THENCE SOUTH 38°50'38" WEST, A DISTANCE OF 70.07 FEET;
THENCE SOUTH 16°00'56" WEST, A DISTANCE OF 139.99 FEET;
THENCE SOUTH 08°46'44" EAST, A DISTANCE OF 51.67 FEET;
THENCE SOUTH 42°19'49" EAST, A DISTANCE OF 446.86 FEET;
THENCE SOUTH 26°23'14" EAST, A DISTANCE OF 322.56 FEET;
THENCE SOUTH 08°39'32" EAST, A DISTANCE OF 50.00 FEET;
THENCE SOUTH 07°27'35" WEST, A DISTANCE OF 98.77 FEET;
THENCE SOUTH 31°36'41" EAST, A DISTANCE OF 189.23 FEET;
THENCE SOUTH 30°02'07" EAST, A DISTANCE OF 62.72 FEET TO THE EAST
LINE OF THE SOUTHEAST 1/4 OF SAID SECTION 6;
THENCE ALONG SAID EAST LINE, SOUTH 01°15'41" WEST, A DISTANCE OF
851.84 FEET;
THENCE NORTH 74°19'07" WEST, A DISTANCE OF 79.38 FEET;
THENCE NORTH 62°59'42" WEST, A DISTANCE OF 182.81 FEET;
THENCE NORTH 55°27'07" WEST, A DISTANCE OF 132.96 FEET;
THENCE NORTH 60°27'43" WEST, A DISTANCE OF 142.31 FEET;
THENCE NORTH 76°28'18" WEST, A DISTANCE OF 157.92 FEET;
THENCE NORTH 61°50'13" WEST, A DISTANCE OF 77.59 FEET;
THENCE NORTH 46°20'23" WEST, A DISTANCE OF 110.75 FEET;
THENCE NORTH 24°18'03" WEST, A DISTANCE OF 72.69 FEET;
THENCE NORTH 02°44'27" EAST, A DISTANCE OF 137.37 FEET;
THENCE NORTH 28°12'30" WEST, A DISTANCE OF 71.83 FEET;
THENCE NORTH 55°44'13" WEST, A DISTANCE OF 134.68 FEET;
THENCE NORTH 73°40'41" WEST, A DISTANCE OF 317.00 FEET;
THENCE SOUTH 86°56'51" WEST, A DISTANCE OF 259.78 FEET;
THENCE NORTH 79°54'06" WEST, A DISTANCE OF 385.87 FEET;
THENCE SOUTH 82°05'46" WEST, A DISTANCE OF 52.31 FEET;
THENCE SOUTH 54°43'57" WEST, A DISTANCE OF 246.47 FEET;
THENCE SOUTH 72°17'07" WEST, A DISTANCE OF 248.85 FEET;
THENCE NORTH 39°05'02" WEST, A DISTANCE OF 372.64 FEET TO THE
CENTER 1/4 CORNER OF SAID SECTION 6;
THENCE NORTH 01°09'45" EAST, A DISTANCE OF 1353.95 FEET;
THENCE NORTH 01°09'10" EAST, A DISTANCE OF 1316.75 FEET TO THE
POINT OF BEGINNING;

CONTAINING 5,557,168 SQUARE FEET OR 127.58 ACRES, MORE OR LESS.

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EXHIBIT C

Attached to and made a part of that certain Agreement dated _____,
2008 by and between K. P. Kauffman Company, Inc. and I&J Partnership, LP.

LINE EASEMENT AGREEMENT

THIS LINE EASEMENT AGREEMENT ("Agreement") is entered into this _____ day of _____, 2008, between **K.P. KAUFFMAN COMPANY, INC.** ("KPK"), whose address is 1675 Broadway, Suite 2800, Denver, Colorado 80202 and **I&J PARTNERSHIP, LP**, a California Limited Partnership, whose address is c/o Everett Pfeiff, 6530 Daylilly Court, Niwot, CO 80503 ("Developer"). KPK and Developer shall be referred to as "Party" and collectively as "Parties".

WHEREAS, the Parties have entered into a Surface Use Agreement dated _____, 2008, and recorded on _____, 2008 at Reception No. _____, among the records of the Weld County Clerk and Recorder (the "Surface Use Agreement") covering the following described lands:

See attached Exhibit A

WHEREAS, the Surface Use Agreement provides that upon request the Developer will provide KPK with a separate easement agreement for it subsurface line(s) on the Property.

NOW THEREFORE, in consideration of the covenants and mutual promises set forth herein, including the information set forth in the recitals, the Parties agree as follows:

1. Developer hereby grants a non-exclusive easement to install, construct, replace, repair, maintain and use subsurface lines on the Property as shown on Exhibit B attached hereto and made a part hereof. The easement shall be not less than 30 feet in width for all operations, maintenance and transportation activities of the Line(s), in accordance with Exhibit B, and during the period of construction or relocation of any lines, the easement shall be not less than 50 feet in width, in accordance with Exhibit B.
2. Line locations may be changed by mutual agreement of the parties, provided, however, all costs and expenses of the relocation shall be borne by the Developer if Developer requests such relocation. KPK shall not unreasonably withhold its consent; and, further provided, that the relocation will not be administered in such a way as to interfere with KPK's ability to exercise its rights to drill for and produce oil, gas and other hydrocarbons.
3. Developer shall have the right to cross the Line Easement with roadways and other utilities, provided such crossing is made at an angle of not less than 60° and not more than 90° from KPK's Lines, but in no event shall such utility cross above or run



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parallel above KPK's Lines, except as shown on Exhibit B. Developer will notify KPK fifteen (15) days before it crosses any Line Easement so that KPK can observe such crossing. KPK requires all subsurface utilities be not less than 24 inches below KPK's Lines. Overburden above KPK's Lines shall not exceed 72 inches, unless such utilities are found below parallel streets or roads and above such Easement. If a roadway crosses above KPK's Lines, that portion of said Lines will be encased with protective pipe and provided with vents on each side of the roadway crossing. All expenses for the encased pipe and vents will be provided by the Developer. All expenses for maintaining future encased flowlines will be paid for by KPK unless Developer asks KPK to move such flowlines. Roadways shall not be constructed parallel above KPK's Lines.

4. Developer has the right to place a utility within the Line Easement that would parallel KPK's Line(s), but in no event shall such utility be placed within 10 feet of KPK's flow or gathering line.

5. In the event that Developer's proposed development would place KPK's Line(s) within 75 feet of an ignition source including but not limited to houses, buildings, or structures capable of being an ignition source, then the Line shall be "encased" at the Developer's expense. The term "encased" shall mean that KPK's Line shall be enclosed in a second steel pipe with inspection vents on each end of the flow Line(s). In addition to the encasement, Developer shall provide KPK with an easement for a work area of not less than 30 feet by 75 feet at each end of the encasement (Work Area). No encasement shall exceed 400 feet without Developer providing intermediate Work Areas. All Line that must be encased shall be constructed straight and without curves from Work Area to Work Area.

KPK agrees to keep all Easements and the OGOAs free and clear of trash in accordance with the rules and regulations of the Colorado Oil and Gas Conservation Commission. Developer reserves the right, but not the obligation, to plant dry land grasses on all easements and OGOAs and to mow, provided however, before planting any grass in such areas, other than native or dry land grasses, Developer shall request KPK's consent, which consent shall not be unreasonably withheld. Developer may irrigate the native or dry land grasses on the Easements and OGOAs provided, however, that the irrigation system be located outside of the Easement or OGOA as depicted on Exhibit B, and the Parties comply with the following notice requirements: upon fifteen (15) days prior notice by KPK to Developer or the registered agent of the Home Owners Association (HOA), Developer or the registered agent of the HOA will notify the affected lot owners to cease irrigation of the OGOA or Easement area(s), or Developer will cease irrigation of said areas; upon completion of KPK's work in the Easement or OGOA, KPK will notify the registered agent of the HOA or Developer that it is safe to resume irrigation. If Developer elects to mow said Easements and OGOAs, it shall do so only in a manner which does not violate the terms of KPK's easement or do damage to KPK's Lines or equipment, or interfere with KPK's Access or use. All relocated and Future Pipelines shall be located within the Easements depicted on Exhibit B unless otherwise agreed upon between Developer and KPK. KPK acknowledges that the Easements will be non-exclusive and agrees that it will not object to its concurrent use by other oil and



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gas operators or utilities, as Developer may grant from time to time, so long as such other parties' use is reasonable and necessary to the development of their oil and gas leasehold estates and such use does not deny KPK's correlative rights. Developer agrees to hold KPK harmless for any injury to persons or equipment caused by Developer during any performance under this paragraph, and KPK agrees to hold Developer harmless for any injury to persons or equipment caused by KPK during any performance under this paragraph.

6. The terms of this Agreement are subject to the Surface Use Agreement and Exhibit B. The Surface Use Agreement and the attached Exhibit B will prevail in the event there is a conflict with this Agreement.

7. The parties agree that this Agreement and the benefits hereunder shall be binding upon and inure to the benefit of the parties hereto and their heirs, successors and assigns.

8. This Agreement and all of its covenants in it shall be covenants running with the land and shall be binding on all parties who succeed to any interest which Developer has in the Property.

IN WITNESS WHEREOF the undersigned parties have caused this Agreement to be executed by a duly authorized representative on the day and year first above written.

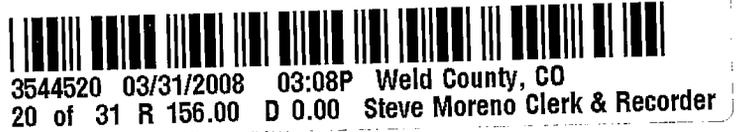
K.P. KAUFFMAN COMPANY, INC.

By _____
Printed Name: Gordon L. Allott, Jr.
Title: Executive Vice President

I&J PARTNERSHIP, LP

By _____
Printed Name:
Title:

STATE OF COLORADO)
) ss.
COUNTY OF _____)



The foregoing instrument was acknowledged before me this _____ day of _____, 2008, by Gordon L. Allott, Jr., as Executive Vice President of K.P. Kauffman Company, Inc.

Witness my hand and official seal.
My commission expires: _____

Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2008, by _____, as _____ of I&J Partnership, LP.

My Commission expires: _____.

Witness my hand and official seal.

Notary Public



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EXHIBIT A

BULTHAUP 127 OVERALL LEGAL DESCRIPTION

LOT B OF THE 2ND AMENDED RECORDED EXEMPTION NO. 2ND AMRE-3402, RECORDED MAY 16, 2005 AT RECEPTION NO. 3286322 IN THE WELD COUNTY CLERK AND RECORDER'S OFFICE, LOCATED IN THE NORTHEAST 1/4 AND THE NORTH 1/2 OF THE SOUTHEAST 1/4 OF SECTION 6, TOWNSHIP 1 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF WELD, STATE OF COLORADO, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTH 1/4 CORNER OF SAID SECTION 6, WHENCE THE NORTHEAST CORNER OF SAID SECTION 6 BEARS NORTH 89°03'34" EAST, SAID LINE FORMING THE BASIS OF BEARING FOR THIS LEGAL DESCRIPTION; THENCE SOUTH 01°09'10" WEST, A DISTANCE OF 74.00 FEET TO THE POINT OF BEGINNING;

THENCE NORTH 89°05'04" EAST, A DISTANCE OF 480.96 FEET;
THENCE NORTH 89°41'34" EAST, A DISTANCE OF 94.16 FEET;
THENCE SOUTH 18°15'59" WEST, A DISTANCE OF 218.48 FEET;
THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 06°11'43" AND A RADIUS OF 6721.00 FEET, AN ARC DISTANCE OF 726.73 FEET (CHORD BEARS SOUTH 27°12'23" WEST, A DISTANCE OF 726.38 FEET);

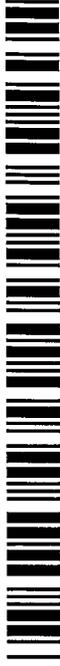
THENCE NORTH 89°48'32" EAST, A DISTANCE OF 610.38 FEET;
THENCE SOUTH 01°17'18" WEST, A DISTANCE OF 1019.39 FEET;
THENCE SOUTH 85°18'04" EAST, A DISTANCE OF 518.97 FEET;
THENCE NORTH 01°13'52" EAST, A DISTANCE OF 431.19 FEET;
THENCE SOUTH 88°43'22" EAST, A DISTANCE OF 44.61 FEET;
THENCE NORTH 12°15'31" EAST, A DISTANCE OF 320.20 FEET;
THENCE NORTH 26°23'23" EAST, A DISTANCE OF 358.61 FEET;
THENCE NORTH 26°57'20" EAST, A DISTANCE OF 243.07 FEET;
THENCE NORTH 50°45'05" EAST, A DISTANCE OF 84.11 FEET;
THENCE NORTH 71°07'48" EAST, A DISTANCE OF 60.24 FEET;
THENCE NORTH 53°11'31" EAST, A DISTANCE OF 83.66 FEET;
THENCE NORTH 36°51'52" EAST, A DISTANCE OF 232.55 FEET;
THENCE NORTH 25°42'50" EAST, A DISTANCE OF 132.78 FEET;
THENCE NORTH 43°12'52" EAST, A DISTANCE OF 81.73 FEET;
THENCE NORTH 47°58'14" EAST, A DISTANCE OF 281.91 FEET;
THENCE NORTH 85°05'34" EAST, A DISTANCE OF 51.12 FEET;
THENCE NORTH 85°45'04" EAST, A DISTANCE OF 191.10 FEET;
THENCE SOUTH 43°44'26" EAST, A DISTANCE OF 70.70 FEET;
THENCE SOUTH 88°44'26" EAST, A DISTANCE OF 28.51 FEET TO THE EAST LINE OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 6;
THENCE ALONG SAID EAST LINE, SOUTH 01°19'42" WEST, A DISTANCE OF 1075.08 FEET;



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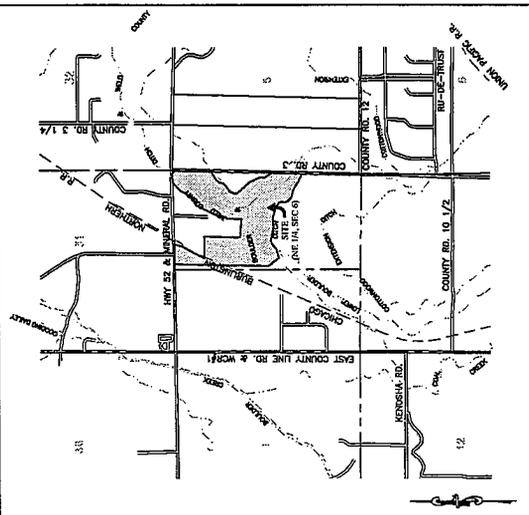
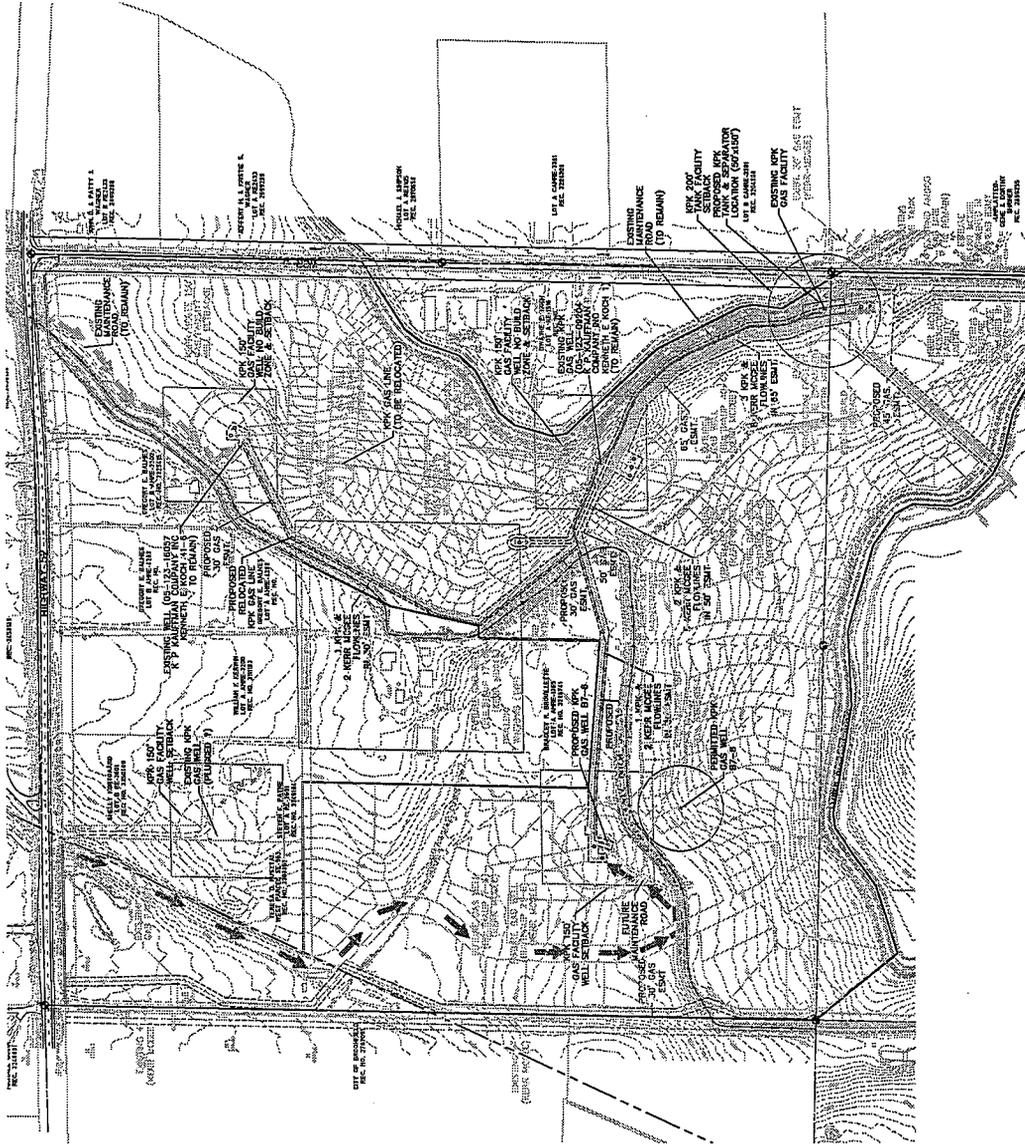
THENCE SOUTH 56°57'16" WEST, A DISTANCE OF 288.49 FEET;
THENCE SOUTH 36°52'25" WEST, A DISTANCE OF 75.58 FEET;
THENCE SOUTH 19°23'38" WEST, A DISTANCE OF 137.44 FEET;
THENCE SOUTH 41°50'15" WEST, A DISTANCE OF 79.21 FEET;
THENCE SOUTH 60°29'19" WEST, A DISTANCE OF 170.91 FEET;
THENCE SOUTH 38°50'38" WEST, A DISTANCE OF 70.07 FEET;
THENCE SOUTH 16°00'56" WEST, A DISTANCE OF 139.99 FEET;
THENCE SOUTH 08°46'44" EAST, A DISTANCE OF 51.67 FEET;
THENCE SOUTH 42°19'49" EAST, A DISTANCE OF 446.86 FEET;
THENCE SOUTH 26°23'14" EAST, A DISTANCE OF 322.56 FEET;
THENCE SOUTH 08°39'32" EAST, A DISTANCE OF 50.00 FEET;
THENCE SOUTH 07°27'35" WEST, A DISTANCE OF 98.77 FEET;
THENCE SOUTH 31°36'41" EAST, A DISTANCE OF 189.23 FEET;
THENCE SOUTH 30°02'07" EAST, A DISTANCE OF 62.72 FEET TO THE EAST
LINE OF THE SOUTHEAST 1/4 OF SAID SECTION 6;
THENCE ALONG SAID EAST LINE, SOUTH 01°15'41" WEST, A DISTANCE OF
851.84 FEET;
THENCE NORTH 74°19'07" WEST, A DISTANCE OF 79.38 FEET;
THENCE NORTH 62°59'42" WEST, A DISTANCE OF 182.81 FEET;
THENCE NORTH 55°27'07" WEST, A DISTANCE OF 132.96 FEET;
THENCE NORTH 60°27'43" WEST, A DISTANCE OF 142.31 FEET;
THENCE NORTH 76°28'18" WEST, A DISTANCE OF 157.92 FEET;
THENCE NORTH 61°50'13" WEST, A DISTANCE OF 77.59 FEET;
THENCE NORTH 46°20'23" WEST, A DISTANCE OF 110.75 FEET;
THENCE NORTH 24°18'03" WEST, A DISTANCE OF 72.69 FEET;
THENCE NORTH 02°44'27" EAST, A DISTANCE OF 137.37 FEET;
THENCE NORTH 28°12'30" WEST, A DISTANCE OF 71.83 FEET;
THENCE NORTH 55°44'13" WEST, A DISTANCE OF 134.68 FEET;
THENCE NORTH 73°40'41" WEST, A DISTANCE OF 317.00 FEET;
THENCE SOUTH 86°56'51" WEST, A DISTANCE OF 259.78 FEET;
THENCE NORTH 79°54'06" WEST, A DISTANCE OF 385.87 FEET;
THENCE SOUTH 82°05'46" WEST, A DISTANCE OF 52.31 FEET;
THENCE SOUTH 54°43'57" WEST, A DISTANCE OF 246.47 FEET;
THENCE SOUTH 72°17'07" WEST, A DISTANCE OF 248.85 FEET;
THENCE NORTH 39°05'02" WEST, A DISTANCE OF 372.64 FEET TO THE
CENTER 1/4 CORNER OF SAID SECTION 6;
THENCE NORTH 01°09'45" EAST, A DISTANCE OF 1353.95 FEET;
THENCE NORTH 01°09'10" EAST, A DISTANCE OF 1316.75 FEET TO THE
POINT OF BEGINNING;

CONTAINING 5,557,168 SQUARE FEET OR 127.58 ACRES, MORE OR LESS.



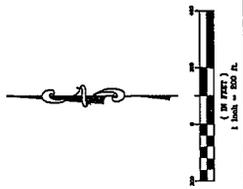
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BULTHAUP 127 PROPERTY
 KPK GAS CONVEYANCE EXHIBIT



LEGEND

- EXISTING GAS WELL SETBACK (per § 104)
- PROPOSED GAS WELL SETBACK (per § 104)
- FUTURE GAS WELL SETBACK (per § 104)
- PROPOSED GAS LINE (NON-EXIST)
- EXISTING GAS LINE (TO REMAIN)
- EXISTING GAS FACILITIES
- FUTURE GAS WELL
- APPROXIMATE DIRECTIONAL DRILLING ALIGNMENT
- PROPOSED DESIGNATED WELL ACCESS ROUTE
- EXISTING WELL ACCESS ROUTE



DATE: 02/07/08
 PK CIVIL CONSULTANTS
 7000 W. WYOMING ST., SUITE 200
 DENVER, CO 80231
 PHONE: 303.755.1111
 FAX: 303.755.1112
 CONTRACT: 0801001



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EXHIBIT C
 SHEET 1 OF 4

A GAS EASEMENT, WIDTH VARIES, OVER AND ACROSS LOT B OF THE 2ND AMENDED RECORDED EXEMPTION NO. 1467-06-1 2ND AMRE-3402 RECORDED MAY 16, 2005 AT RECEPTION NO. 3286322 IN THE WELD COUNTY CLERK AND RECORDER'S OFFICE, LOCATED IN THE EAST 1/2 OF SECTION 6, TOWNSHIP 1 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF WELD, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 6, AND CONSIDERING THE NORTH LINE OF SAID NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 6 TO BEAR SOUTH 88°43'22" EAST, SAID LINE FORMING THE BASIS OF BEARING FOR THIS LEGAL DESCRIPTION; THENCE SOUTH 46°11'03" EAST, A DISTANCE OF 892.28 FEET TO A POINT ON THE SOUTH LINE OF SAID 2ND AMENDED RECORDED EXEMPTION NO. 1467-06-1 2ND AMRE-3402, ALSO BEING THE POINT OF BEGINNING;

THENCE NORTH 61°50'13" WEST, A DISTANCE OF 48.15 FEET;
 THENCE NORTH 48°59'20" EAST, A DISTANCE OF 41.13 FEET;
 THENCE NORTH 41°09'24" EAST, A DISTANCE OF 611.46 FEET;
 THENCE NORTH 02°59'29" EAST, A DISTANCE OF 17.69 FEET;
 THENCE SOUTH 87°00'31" EAST, A DISTANCE OF 98.76 FEET;
 THENCE NORTH 09°51'46" WEST, A DISTANCE OF 125.08 FEET;
 THENCE NORTH 21°30'16" WEST, A DISTANCE OF 106.09 FEET;
 THENCE NORTH 03°44'31" WEST, A DISTANCE OF 128.73 FEET;
 THENCE NORTH 23°39'47" WEST, A DISTANCE OF 221.48 FEET;
 THENCE NORTH 29°38'07" WEST, A DISTANCE OF 71.63 FEET;
 THENCE NORTH 42°57'29" WEST, A DISTANCE OF 134.94 FEET;
 THENCE NORTH 61°58'23" WEST, A DISTANCE OF 66.62 FEET;
 THENCE NORTH 69°18'49" WEST, A DISTANCE OF 64.17 FEET;
 THENCE NORTH 65°24'14" WEST, A DISTANCE OF 90.00 FEET;
 THENCE SOUTH 24°35'46" WEST, A DISTANCE OF 29.82 FEET;
 THENCE NORTH 65°24'14" WEST, A DISTANCE OF 38.00 FEET;
 THENCE NORTH 24°35'46" EAST, A DISTANCE OF 27.07 FEET;
 THENCE NORTH 61°30'15" WEST, A DISTANCE OF 42.35 FEET;
 THENCE NORTH 40°18'13" WEST, A DISTANCE OF 66.16 FEET;
 THENCE NORTH 66°19'06" WEST, A DISTANCE OF 165.36 FEET;
 THENCE SOUTH 74°05'25" WEST, A DISTANCE OF 348.90 FEET;
 THENCE NORTH 85°18'04" WEST, A DISTANCE OF 552.18 FEET;
 THENCE NORTH 89°59'51" WEST, A DISTANCE OF 169.77 FEET;
 THENCE SOUTH 18°12'09" WEST, A DISTANCE OF 63.37 FEET;
 THENCE NORTH 71°47'51" WEST, A DISTANCE OF 30.00 FEET;
 THENCE NORTH 18°12'09" EAST, A DISTANCE OF 46.68 FEET;
 THENCE SOUTH 90°00'00" WEST, A DISTANCE OF 26.10 FEET;
 THENCE SOUTH 00°00'00" EAST, A DISTANCE OF 28.95 FEET;
 THENCE NORTH 90°00'00" WEST, A DISTANCE OF 30.00 FEET;
 THENCE NORTH 00°00'00" WEST, A DISTANCE OF 65.43 FEET;
 THENCE NORTH 90°00'00" EAST, A DISTANCE OF 260.68 FEET;
 THENCE SOUTH 85°18'04" EAST, A DISTANCE OF 548.09 FEET;
 THENCE NORTH 74°05'25" EAST, A DISTANCE OF 305.04 FEET;
 THENCE NORTH 37°55'34" WEST, A DISTANCE OF 438.38 FEET;
 THENCE NORTH 12°15'31" EAST, A DISTANCE OF 158.78 FEET;
 THENCE NORTH 27°45'05" EAST, A DISTANCE OF 597.01 FEET;
 THENCE NORTH 63°14'43" EAST, A DISTANCE OF 356.87 FEET;
 THENCE NORTH 00°00'00" EAST, A DISTANCE OF 13.60 FEET;
 THENCE NORTH 90°00'00" EAST, A DISTANCE OF 25.00 FEET;
 THENCE NORTH 00°00'00" WEST, A DISTANCE OF 43.30 FEET;
 THENCE NORTH 90°00'00" EAST, A DISTANCE OF 30.00 FEET;
 THENCE SOUTH 00°00'00" EAST, A DISTANCE OF 43.30 FEET;
 THENCE NORTH 90°00'00" EAST, A DISTANCE OF 25.00 FEET;
 THENCE SOUTH 00°00'00" EAST, A DISTANCE OF 40.61 FEET;
 THENCE SOUTH 90°00'00" WEST, A DISTANCE OF 66.93 FEET;
 THENCE SOUTH 63°14'43" WEST, A DISTANCE OF 346.78 FEET;
 THENCE SOUTH 27°45'05" WEST, A DISTANCE OF 583.32 FEET;
 THENCE SOUTH 12°15'31" WEST, A DISTANCE OF 140.65 FEET;
 THENCE SOUTH 37°55'34" EAST, A DISTANCE OF 400.91 FEET;
 THENCE NORTH 00°00'00" EAST, A DISTANCE OF 183.83 FEET;
 THENCE NORTH 90°00'00" EAST, A DISTANCE OF 30.00 FEET;
 THENCE SOUTH 00°00'00" WEST, A DISTANCE OF 181.88 FEET;
 THENCE SOUTH 66°19'06" EAST, A DISTANCE OF 219.40 FEET;
 THENCE SOUTH 74°22'32" EAST, A DISTANCE OF 68.17 FEET;



THENCE SOUTH 46°30'57" EAST, A DISTANCE OF 66.67 FEET;
 THENCE SOUTH 63°21'47" EAST, A DISTANCE OF 73.40 FEET;
 THENCE SOUTH 69°19'42" EAST, A DISTANCE OF 65.42 FEET;
 THENCE SOUTH 61°58'23" EAST, A DISTANCE OF 81.68 FEET;
 THENCE SOUTH 42°57'29" EAST, A DISTANCE OF 153.42 FEET;
 THENCE SOUTH 29°38'07" EAST, A DISTANCE OF 82.61 FEET;
 THENCE SOUTH 23°39'47" EAST, A DISTANCE OF 236.29 FEET;
 THENCE SOUTH 03°44'31" EAST, A DISTANCE OF 129.98 FEET;
 THENCE SOUTH 21°30'16" EAST, A DISTANCE OF 102.56 FEET;
 THENCE SOUTH 09°51'46" EAST, A DISTANCE OF 61.10 FEET;
 THENCE SOUTH 07°42'08" EAST, A DISTANCE OF 84.77 FEET;
 THENCE SOUTH 87°00'31" EAST, A DISTANCE OF 52.84 FEET;
 THENCE SOUTH 01°15'41" WEST, A DISTANCE OF 147.07 FEET;
 THENCE NORTH 87°00'31" WEST, A DISTANCE OF 83.77 FEET;
 THENCE SOUTH 30°33'23" EAST, A DISTANCE OF 158.81 FEET;
 THENCE SOUTH 01°15'41" WEST, A DISTANCE OF 519.51 FEET TO A POINT ON
 THE SOUTH LINE OF SAID 2ND AMENDED RECORDED EXEMPTION NO. 1467-06-1
 2ND AMRE-3402;
 THENCE ALONG SAID SOUTH LINE, NORTH 74°19'07" WEST, A DISTANCE OF
 17.43 FEET;
 THENCE CONTINUING ALONG SAID SOUTH LINE, NORTH 62°59'42" WEST, A
 DISTANCE OF 14.57 FEET;
 THENCE NORTH 01°15'41" EAST, A DISTANCE OF 500.29 FEET;
 THENCE NORTH 30°33'23" WEST, A DISTANCE OF 170.16 FEET;
 THENCE NORTH 87°00'31" WEST, A DISTANCE OF 144.05 FEET;
 THENCE SOUTH 41°09'19" WEST, A DISTANCE OF 485.31 FEET;
 THENCE SOUTH 48°59'20" WEST, A DISTANCE OF 27.22 FEET TO THE POINT OF
 BEGINNING;

CONTAINING 264,340 SQUARE FEET OR 6.0684 ACRES, MORE OR LESS.

PREPARED BY:

MICHAEL W LUST, PLS 36060
 FORESIGHT WEST SURVEYING INC.
 5340 S QUEBEC ST, SUITE 300-S
 GREENWOOD VILLAGE, CO 80237



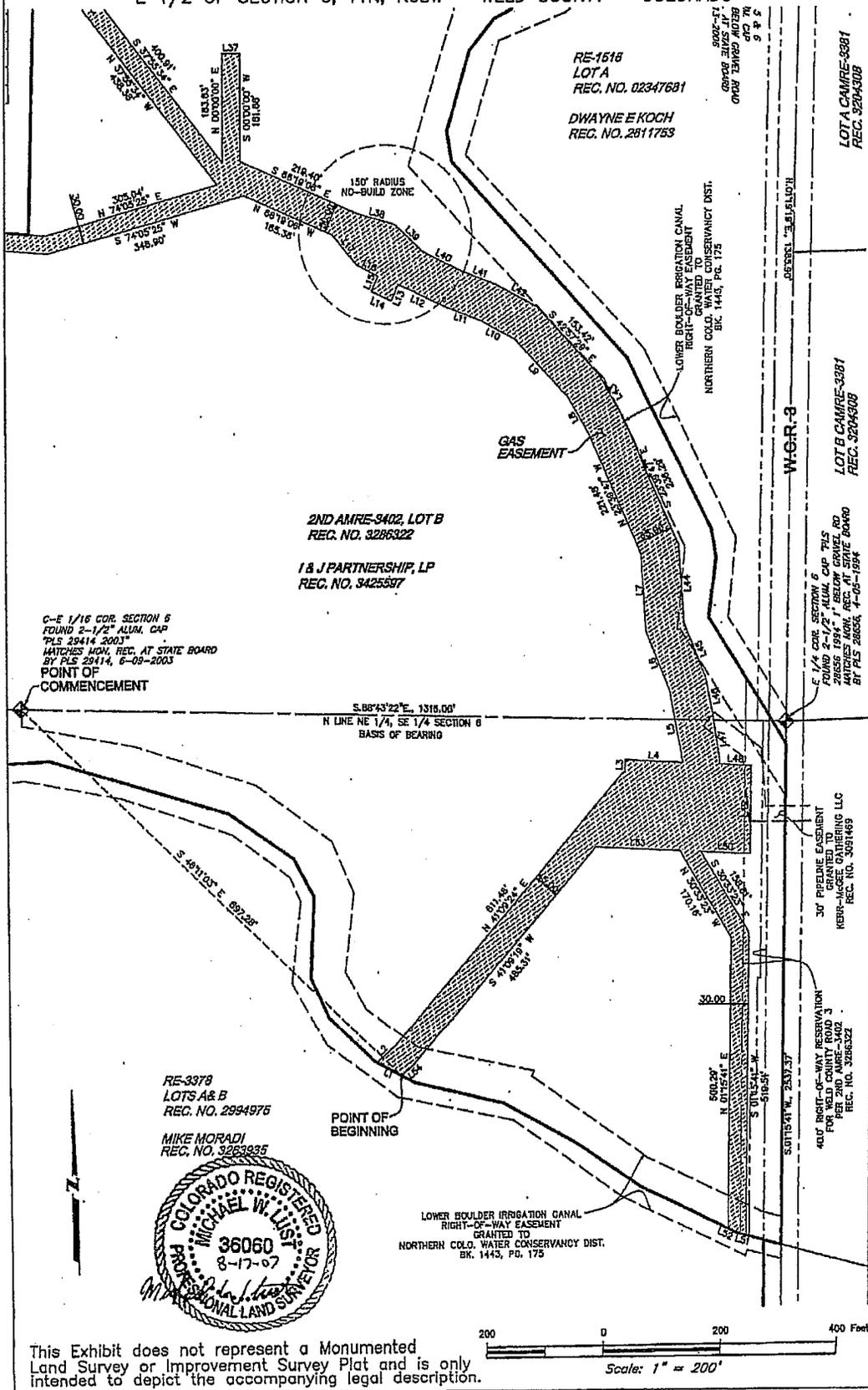


3544520 03/31/2008 03:08P Weld County, CO
 26 of 31 R 156.00 D 0.00 Steve Moreno Clerk & Recorder

ILLUSTRATION FOR
EXHIBIT C
 GAS EASEMENT

PAGE 3 OF 4

E 1/2 OF SECTION 6, T1N, R68W - WELD COUNTY - COLORADO



RE-1618
 LOT A
 REC. NO. 02347681
 DWAYNE E KOCH
 REC. NO. 2611753

LOTA CAMIRE-3881
 REC. 3204308

LOT B CAMIRE-3881
 REC. 3204308

2ND AMRE-3402, LOT B
 REC. NO. 3286322
 I & J PARTNERSHIP, LP
 REC. NO. 3425597

C-E 1/16 COR. SECTION 6
 FOUND 2-1/2" ALUM. CAP
 PLS 29414 2003
 MATCHES NOW, REC. AT STATE BOARD
 BY PLS 29414, 6-09-2003
 POINT OF
 COMMENCEMENT

C-E 1/16 COR. SECTION 6
 FOUND 2" ALUM. CAP PLS
 28558 1994, 1" BELOW GRAVEL RD
 MATCHES NOW, REC. AT STATE BOARD
 BY PLS 28558, 4-05-1994

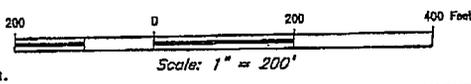
30' PIPELINE EASEMENT
 GRANTED TO
 KEBR-LLC
 REC. NO. 3091469

40' RIGHT-OF-WAY RESERVATION
 FOR
 PETER J. AND ANNE M. VAD
 REC. NO. 3286322

RE-3378
 LOTS A & B
 REC. NO. 2994976
 MIKE MORADI
 REC. NO. 3263835



LOWER BOULDER IRRIGATION CANAL
 RIGHT-OF-WAY EASEMENT
 GRANTED TO
 NORTHERN COLO. WATER CONSERVANCY DIST.
 BK. 1443, PG. 175



This Exhibit does not represent a Monumented Land Survey or Improvement Survey Plat and is only intended to depict the accompanying legal description.

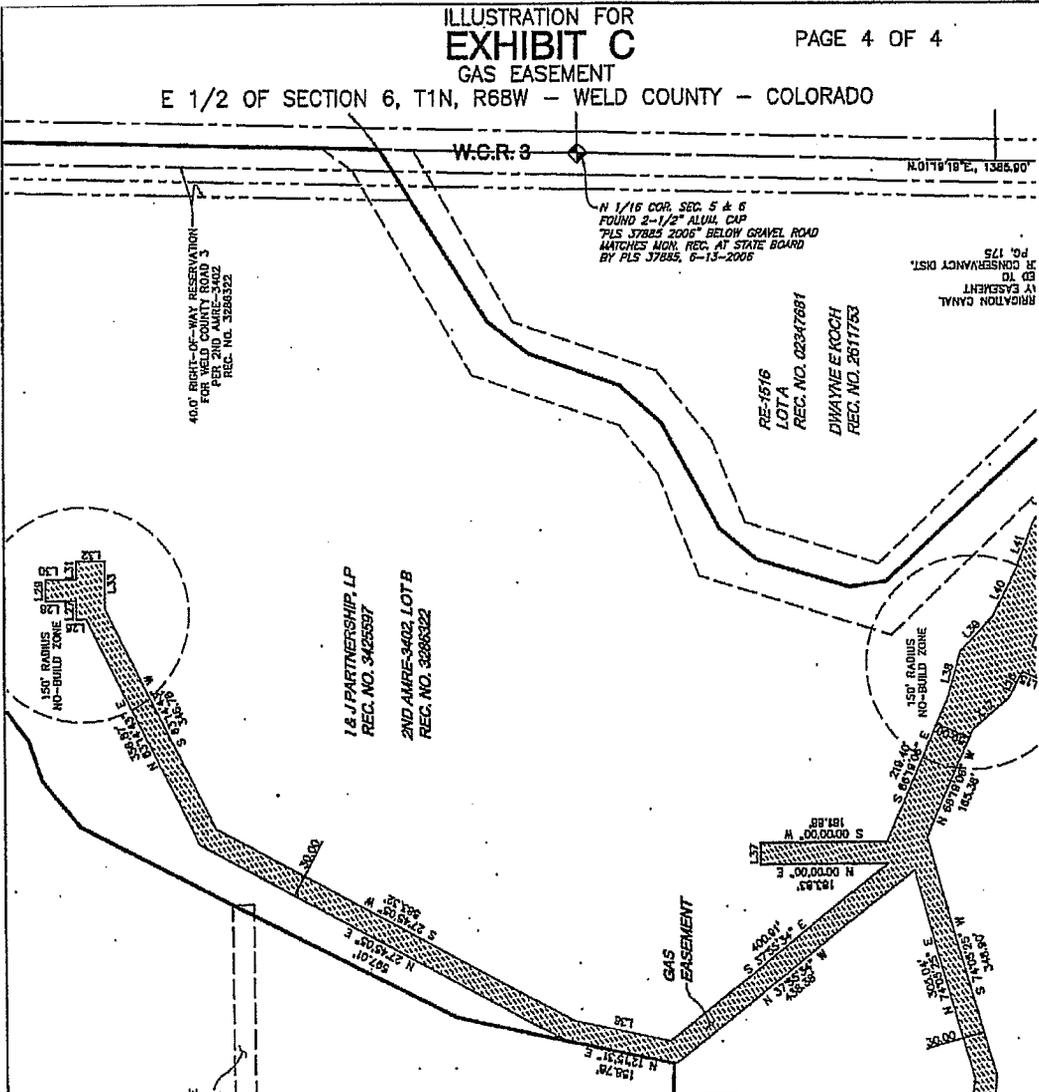


3544520 03/31/2008 03:08P Weld County, CO
 27 of 31 R 156.00 D 0.00 Steve Moreno Clerk & Recorder

ILLUSTRATION FOR
EXHIBIT C
 GAS EASEMENT

PAGE 4 OF 4

E 1/2 OF SECTION 6, T1N, R6BW - WELD COUNTY - COLORADO

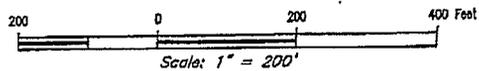


NUMBER	DIRECTION	DISTANCE
L28	N 00°00'00\"/>	

NUMBER	DIRECTION	DISTANCE
L1	N 61°50'13\"/>	



This Exhibit does not represent a Monumented Land Survey or Improvement Survey Plot and is only intended to depict the accompanying legal description.





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EXHIBIT D

Attached to and made a part of that certain Agreement dated _____, 2008
by and between K. P. Kauffman Company, Inc. and I&J Partnership, LP.

NOTICE OF OIL AND GAS OPERATIONS

PLEASE TAKE NOTICE THAT K.P. Kauffman Company, Inc., a California corporation, with an address of 1675 Broadway, Suite 2800, Denver, Colorado 80202, ("KPK") and I&J Partnership LP, a California Limited Partnership, with an address of c/o Everett Pfeiff, 6530 Daylilly Court, Niwot, CO 80503 ("Developer"), have entered into a Surface Use Agreement (the "Agreement") dated _____, 2008, covering the following described lands (the "Property"):

See attached Exhibit A

NOTICE IS HEREBY PROVIDED to all interested parties, including surface owners, developers, their heirs, assignees and successor in interest, that pursuant to the Agreement, KPK, its agents, employees, designees, co-owners, successors and assigns have the right to use and access the surface of the OGOAs, Lines Easements and Access Roads as defined in the Agreement for the purpose of oil and gas operations and as such:

- i. Subsequent purchasers' rights are subject to the Agreement and the oil and gas lease;
- ii. That by purchasing an interest in the Property, subsequent purchasers have agreed that they are subject to the Agreement, and the oil and gas lease;
- iii. There are ongoing oil and gas operations on the Property;
- iv. Very heavy equipment and other oil and gas equipment with the accompanying noise will be used, from time to time, by KPK for well development and maintenance, drilling new wells and production activities and that such activities may be conducted on a 24-hour basis; and
- v. Activities conducted on the Property by KPK shall be as set forth in the Agreement.

The Agreement has been recorded in the real property records of Weld County, Colorado on _____, 2008, at Reception No. _____.

This notice may be executed by facsimile and in any number of counterparts, each of which shall be deemed an original instrument, but all of which together shall constitute but one and the same instrument.

[SIGNATURES APPEAR ON THE NEXT PAGE]



3544520 03/31/2008 03:08P Weld County, CO
30 of 31 R 156.00 D 0.00 Steve Moreno Clerk & Recorder

EXHIBIT A

BULTHAUP 127 OVERALL LEGAL DESCRIPTION

LOT B OF THE 2ND AMENDED RECORDED EXEMPTION NO. 2ND AMRE-3402, RECORDED MAY 16, 2005 AT RECEPTION NO. 3286322 IN THE WELD COUNTY CLERK AND RECORDER'S OFFICE, LOCATED IN THE NORTHEAST 1/4 AND THE NORTH 1/2 OF THE SOUTHEAST 1/4 OF SECTION 6, TOWNSHIP 1 NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF WELD, STATE OF COLORADO, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTH 1/4 CORNER OF SAID SECTION 6, WHENCE THE NORTHEAST CORNER OF SAID SECTION 6 BEARS NORTH 89°03'34" EAST, SAID LINE FORMING THE BASIS OF BEARING FOR THIS LEGAL DESCRIPTION; THENCE SOUTH 01°09'10" WEST, A DISTANCE OF 74.00 FEET TO THE POINT OF BEGINNING;

THENCE NORTH 89°05'04" EAST, A DISTANCE OF 480.96 FEET;
THENCE NORTH 89°41'34" EAST, A DISTANCE OF 94.16 FEET;
THENCE SOUTH 18°15'59" WEST, A DISTANCE OF 218.48 FEET;
THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 06°11'43" AND A RADIUS OF 6721.00 FEET, AN ARC DISTANCE OF 726.73 FEET (CHORD BEARS SOUTH 27°12'23" WEST, A DISTANCE OF 726.38 FEET);

THENCE NORTH 89°48'32" EAST, A DISTANCE OF 610.38 FEET;
THENCE SOUTH 01°17'18" WEST, A DISTANCE OF 1019.39 FEET;
THENCE SOUTH 85°18'04" EAST, A DISTANCE OF 518.97 FEET;
THENCE NORTH 01°13'52" EAST, A DISTANCE OF 431.19 FEET;
THENCE SOUTH 88°43'22" EAST, A DISTANCE OF 44.61 FEET;
THENCE NORTH 12°15'31" EAST, A DISTANCE OF 320.20 FEET;
THENCE NORTH 26°23'23" EAST, A DISTANCE OF 358.61 FEET;
THENCE NORTH 26°57'20" EAST, A DISTANCE OF 243.07 FEET;
THENCE NORTH 50°45'05" EAST, A DISTANCE OF 84.11 FEET;
THENCE NORTH 71°07'48" EAST, A DISTANCE OF 60.24 FEET;
THENCE NORTH 53°11'31" EAST, A DISTANCE OF 83.66 FEET;
THENCE NORTH 36°51'52" EAST, A DISTANCE OF 232.55 FEET;
THENCE NORTH 25°42'50" EAST, A DISTANCE OF 132.78 FEET;
THENCE NORTH 43°12'52" EAST, A DISTANCE OF 81.73 FEET;
THENCE NORTH 47°58'14" EAST, A DISTANCE OF 281.91 FEET;
THENCE NORTH 85°05'34" EAST, A DISTANCE OF 51.12 FEET;
THENCE NORTH 85°45'04" EAST, A DISTANCE OF 191.10 FEET;
THENCE SOUTH 43°44'26" EAST, A DISTANCE OF 70.70 FEET;
THENCE SOUTH 88°44'26" EAST, A DISTANCE OF 28.51 FEET TO THE EAST LINE OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 6;
THENCE ALONG SAID EAST LINE, SOUTH 01°19'42" WEST, A DISTANCE OF 1075.08 FEET;



THENCE SOUTH 56°57'16" WEST, A DISTANCE OF 288.49 FEET;
THENCE SOUTH 36°52'25" WEST, A DISTANCE OF 75.58 FEET;
THENCE SOUTH 19°23'38" WEST, A DISTANCE OF 137.44 FEET;
THENCE SOUTH 41°50'15" WEST, A DISTANCE OF 79.21 FEET;
THENCE SOUTH 60°29'19" WEST, A DISTANCE OF 170.91 FEET;
THENCE SOUTH 38°50'38" WEST, A DISTANCE OF 70.07 FEET;
THENCE SOUTH 16°00'56" WEST, A DISTANCE OF 139.99 FEET;
THENCE SOUTH 08°46'44" EAST, A DISTANCE OF 51.67 FEET;
THENCE SOUTH 42°19'49" EAST, A DISTANCE OF 446.86 FEET;
THENCE SOUTH 26°23'14" EAST, A DISTANCE OF 322.56 FEET;
THENCE SOUTH 08°39'32" EAST, A DISTANCE OF 50.00 FEET;
THENCE SOUTH 07°27'35" WEST, A DISTANCE OF 98.77 FEET;
THENCE SOUTH 31°36'41" EAST, A DISTANCE OF 189.23 FEET;
THENCE SOUTH 30°02'07" EAST, A DISTANCE OF 62.72 FEET TO THE EAST
LINE OF THE SOUTHEAST 1/4 OF SAID SECTION 6;
THENCE ALONG SAID EAST LINE, SOUTH 01°15'41" WEST, A DISTANCE OF
851.84 FEET;
THENCE NORTH 74°19'07" WEST, A DISTANCE OF 79.38 FEET;
THENCE NORTH 62°59'42" WEST, A DISTANCE OF 182.81 FEET;
THENCE NORTH 55°27'07" WEST, A DISTANCE OF 132.96 FEET;
THENCE NORTH 60°27'43" WEST, A DISTANCE OF 142.31 FEET;
THENCE NORTH 76°28'18" WEST, A DISTANCE OF 157.92 FEET;
THENCE NORTH 61°50'13" WEST, A DISTANCE OF 77.59 FEET;
THENCE NORTH 46°20'23" WEST, A DISTANCE OF 110.75 FEET;
THENCE NORTH 24°18'03" WEST, A DISTANCE OF 72.69 FEET;
THENCE NORTH 02°44'27" EAST, A DISTANCE OF 137.37 FEET;
THENCE NORTH 28°12'30" WEST, A DISTANCE OF 71.83 FEET;
THENCE NORTH 55°44'13" WEST, A DISTANCE OF 134.68 FEET;
THENCE NORTH 73°40'41" WEST, A DISTANCE OF 317.00 FEET;
THENCE SOUTH 86°56'51" WEST, A DISTANCE OF 259.78 FEET;
THENCE NORTH 79°54'06" WEST, A DISTANCE OF 385.87 FEET;
THENCE SOUTH 82°05'46" WEST, A DISTANCE OF 52.31 FEET;
THENCE SOUTH 54°43'57" WEST, A DISTANCE OF 246.47 FEET;
THENCE SOUTH 72°17'07" WEST, A DISTANCE OF 248.85 FEET;
THENCE NORTH 39°05'02" WEST, A DISTANCE OF 372.64 FEET TO THE
CENTER 1/4 CORNER OF SAID SECTION 6;
THENCE NORTH 01°09'45" EAST, A DISTANCE OF 1353.95 FEET;
THENCE NORTH 01°09'10" EAST, A DISTANCE OF 1316.75 FEET TO THE
POINT OF BEGINNING;

CONTAINING 5,557,168 SQUARE FEET OR 127.58 ACRES, MORE OR LESS.